

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2386 – SB 2603

April 9, 2018

SUMMARY OF ORIGINAL BILL: Requires appeals of contested cases to be held in the chancery court nearest to the place of residence of the aggrieved person, in the chancery court nearest to the place where the cause of action arose, or in any court having subject matter jurisdiction, at the discretion of the aggrieved person.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Exceeds \$10,000/Attorney General

Increase State Expenditures – Exceeds \$59,200/General Fund
Exceeds \$10,000/Attorney General

Increase Federal Expenditures – \$49,200

SUMMARY OF AMENDMENT (017040): Deletes and rewrites all language after the enacting clause such that the only substantive changes (1) remove the ability for an aggrieved person to choose any court having subject matter jurisdiction and (2) require appeals of contested case hearings involving TennCare determinations be held in the Davidson County chancery court.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – Exceeds \$10,000/Attorney General

Increase State Expenditures – Exceeds \$10,000/General Fund
Exceeds \$10,000/Attorney General

Assumptions for the bill as amended:

- Under current law, pursuant to Tenn. Code Ann. § 4-5-322, a person who is aggrieved by a final decision in a contested case is entitled to judicial review and may institute such review by filing a petition in the chancery court of Davidson County, except persons aggrieved with a decision involving the Department of Children's Services,

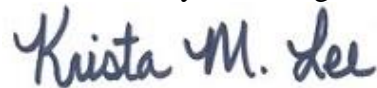
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Department of Human Services, or a local board of education may file a petition for review in the county in which the petitioner resides.

- The proposed language would require applicable appeals of contested cases to be held in the chancery court nearest to the place of residence of the person contesting the agency action, nearest to the place where the cause of action arose, or in Davidson County; at the discretion of the aggrieved person.
- The proposed language would require all appeals of contested cases involving TennCare determinations to be held in the Davidson County chancery court.
- The Attorney General's office represents the majority of state agencies during appeals of contested case rulings and subsequently bills such state agencies for reimbursement of time and any costs associated with travel.
- The proposed language would result in a recurring increase in expenditures for the Attorney General, with an equal and corresponding recurring increase in revenues for the Attorney General upon being reimbursed by state agencies from the General Fund.
- Due to multiple unknown variables such as the number of appeals of contested cases which will be filed annually, if the number of appeals will increase as a direct result of this legislation, the location of any appeal filed, the extent of any recurring increase in reimbursement to the Attorney General which would not otherwise have occurred without this legislation, a precise recurring increase in state expenditures to the General Fund and corresponding recurring increase in state revenue to the Attorney General cannot reasonably be determined; however, it is reasonably estimated to exceed \$10,000 annually.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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